



Department: Police
Cost Center: 8001
For Agenda of: 8/19/2025
Placement: Consent
Estimated Time: N/A

FROM: Rick Scott, Police Chief
Prepared By: Melissa Ellsworth, Senior Business Analyst

SUBJECT: FY 2025-30 ANIMAL CONTROL SERVICES AGREEMENT

RECOMMENDATION

Authorize the Mayor to execute a five-year agreement with the County of San Luis Obispo for the continued provision of Animal Care and Control Services for the period of July 1, 2025, to June 30, 2030, in the amount of \$389,746 for the first year, with annual adjustments thereafter.

POLICY CONTEXT

The recommended actions are consistent with the City of San Luis Obispo's Financial Management Manual, Purchasing Policy, pursuant to which any general services contracts exceeding \$150,000 require City Council approval.

DISCUSSION

The City contracts with the County of San Luis Obispo for the provision of Animal Care and Control Services for the following:

1. Shelter Services, including:
 - a. Maintaining an animal shelter where stray, owner surrendered, confiscated, quarantined or impounded pets are received and provided with appropriate care.
 - b. Providing services to allow sheltered animals to be returned, adopted or humanely euthanized.
2. Field Services, including:
 - a. Receiving and responding to public calls for service related to animal management
 - b. Providing necessary medical treatment and emergency care of domestic animals when necessary
 - c. Investigating animal bite reports
3. Provide reporting to the City on a bi-annual basis
4. Participate collaboratively with the City regrading matters impacting the provision of animal care and control services.

The Police Department administers the contract on behalf of the City. Although the current contract expired on June 30, 2025, the County agreed to continue providing services to each City while further development and adoption of the new contract continued. Department staff received the County's final draft of the contract on June 16th, 2025. Additionally, the County initiated a change to the term of the contract from three years to five years. The main reason for this change was to reduce staff time related to contract renewals that contain consistent scope and terms.

How Costs are Determined

The County uses a service-based methodology to determine contract costs for all cities. This methodology is based on Field Service and Licensing. In general, contract costs are calculated by determining the average percentage of service allocated to each city over the preceding three years for each facet of operations and multiplying this percentage against the Animal Services operational budgeted expenses. The average annual revenue generated from licensing fees or fines by each city over the preceding three years is applied against a city's total service cost.

Each city (with the exception of Atascadero) experienced an increase in cost for FY 2025-26. Per the County, in addition to using service-based methodology, the following factors also contributed to the increases:

1. Overall inflationary pressures associated with County expenses, including:
 - a. Significant increases in liability insurance costs
 - b. Increased overhead expense assessments
 - c. Moderate cost increases for fleet services (vehicle maintenance and repair, fuel, etc.)
 - d. Increased costs for animal feed and veterinary services. This derives in part from significant increases in the actual cost of veterinary services generally coupled with higher levels of animal intake and shelter populations which results in increased need for those services.
2. New landscaping contract for grounds services, this labor having previously been performed by County Parks employees.
3. Hiring additional shelter personnel to perform duties previously performed by County Jail inmates. As a result of some program changes at the jail, inmates were no longer able to work in the shelter, which resulted in the need to hire personnel.
4. Specific to the City of San Luis Obispo, cost drivers also included:
 - a. Decreased revenue generation (e.g. licensing revenue, service fees for adoptions/impounds, etc.)
 - b. An increased rate of animal intakes over the three-year cost averaging period, coupled with decreased intakes from some other cities, pushes the proportionate share of operational costs higher for San Luis Obispo.

Below is a chart showing the City's annual costs since 2022. Costs have increased based on various factors, including what was mentioned above. A significant jump in costs occurred in 2023 due to the shelter hiring additional personnel. Those costs were then distributed among all jurisdictions.

City Jurisdiction	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
San Luis Obispo	190,984	240,883	339,026	389,746

Scope of Services

The proposed contract provides for the delivery of Animal Care and Control services to the City of San Luis Obispo for five years, through June 30, 2030. Services include (as outlined in Exhibit A of Attachment A), but are not limited to:

1. Sheltering Services - Provide shelter services in accordance with state regulations, local ordinances, and policies governing the humane treatment of animals.
2. Field Services - Receive and respond to public calls for service related to alleged violations of local or state codes pertaining to the care, keeping, treatment, and management of animals.
3. Reporting - Provide to the City bi-annual service activity and financial reports reflecting field services, licensing and shelter operations.
4. Collaboration – Participate collaboratively with the City regarding matters impacting the provision of animal care and control services.
 - a. County will also develop performance benchmarks and communicate those quarterly on topics including cost of services per city, number of full time equivalent positions within Animal Services over time, GIS heat maps with calls for service over a period of time, average response times, percentage of animals licensed per city, and other data points.

Previous Council or Advisory Body Action

On November 1, 2022, the City Council approved the Animal Services contract for FY 2022-25.

Public Engagement

The public will have an opportunity to provide public comment prior to or at the City Council meeting.

CONCURRENCE

The Director of Finance concurs with the staff recommendation.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to recommended actions in this report, because the actions do not constitute a "Project" under CEQA guidelines Sec 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2025-26

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Cost for FY 25-26
General Fund	\$389,746	\$	\$	\$389,746
State				
Federal				
Fees				
Other:				
Total	\$389,746	\$	\$	\$389,746

The department has available funding in FY 2025-26 for year one of this contract. However, if costs increase for FY 2026-27 and beyond, staff will need to request additional funding through the budget process.

ALTERNATIVES

The Council could choose not to approve this new contract with County Animal Services. This would restrict the City's ability to provide these types of services to the community, many of which are required by law and would likely necessitate the City creating and funding its own animal control program.

ATTACHMENTS

A - FY 2025-30 Agreement with County of San Luis Obispo for Animal Care and Control Services